

Message Text

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TO AMEMBASSY BUENOS AIRES

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E.O. 11652: N/A

TAGS: ETRN, AR

SUBJECT: CIVAIR: BILATERAL RELATIONS

REF: BUENOS AIRES 2064 AND 2066

1. CAB STAFF ADVISES THAT AEROLINEAS ARGENTINAS ON APRIL 22 RESCINDED FILING OF APRIL 1 FOR INCREASED FREQUENCIES EFFECTIVE MAY 1, AND RESUBMITTED APPLICATION TO BE EFFECTIVE MAY 22. THERE IS NO ESSENTIAL DIFFERENCE IN LEVELS OF SERVICE PROPOSED AND POINTS TO BE SERVED IN THE US. ONLY DIFFERENCE THAT WEEK DAYS OF FLIGHTS TO LOS ANGELES ARE MODIFIED.

2. REASONS FOR CHANGE BY AEROLINEAS ARGENTINAS ARE NOT CLEAR TO USG. PERHAPS THEY HAVE BEEN INFLUENCED BY USG POSITION THAT ARGENTINE AIRLINES COULD NOT LOGICALLY EXPECT CAB TO TAKE FAVORABLE ACTION SO LONG AS ARGENTINE AUTHORITIES WERE NEGATIVE TOWARD THE INCREASED SERVICES PROPOSED BY THE US CARRIERS. IN ADDITION THEY MAY BE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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AWAITING US RESPONSE TO THE AIDE-MEMOIRE DELIVERED MARCH 20, ALTHOUGH FROM OUR VIEW POINT WE DO NOT UNDERSTAND WHAT INFLUENCE THIS WOULD HAVE. OF COURSE GOA OR AT LEAST DNTAC OFFICIALS MAY HOLD TO THE POSITION THAT

UNLESS THE US NOW AGREES TO GRANT ADDITIONAL ROUTE RIGHTS PLUS ADDITIONAL FREQUENCIES THERE WILL BE NO MOVEMENT ON THE ARGENTINE SIDE. THAT SUCH AN EVALUATION IS UNREALISTIC SHOULD BE CLEARLY UNDERSTOOD.

3. FOLLOWING IS SUGGESTED TEXT OF US COMMENTS ON AIDE-MEMOIRE. IT MAY BE DELIVERED AS SOON AS FEASIBLE. DEPARTMENT WILL GIVE A COPY TO THE ARGENTINE EMBASSY IN WASHINGTON, BUT WILL NOTE THAT OFFICIAL RESPONSE IS BEING CONVEYED IN BUENOS AIRES.

QUOTE:

THE UNITED STATES GOVERNMENT WISHES TO CLARIFY FOR THE BENEFIT OF THE GOVERNMENT OF ARGENTINA ITS POSITION IN THE LIGHT OF ARGENTINE AIDE-MEMOIRE OF MARCH 20.

1. THE REQUEST OF THE GOVERNMENT OF ARGENTINA FOR RIGHTS TO CO-TERMINALIZE MIAMI WITH NEW YORK ON THE ROUTE FROM ARGENTINA VIA THE EAST COAST OF SOUTH AMERICA TO THE UNITED STATES WAS BUT ONE AMONG MANY REQUESTS FOR ROUTE MODIFICATIONS CONTAINED IN THE DOCUMENT SUBMITTED BY THE ARGENTINE DELEGATION AS ITS FINAL POSITION DURING THE CONSULTATIONS. IN THE ABSENCE OF AGREEMENT BETWEEN THE DELEGATIONS REGARDING THE LEVEL OF SERVICES OR NUMBER OF FREQUENCIES TO BE AUTHORIZED OVER EXISTING ROUTES, NO FORMAL CONSIDERATION WAS GIVEN BY THE UNITED STATES GOVERNMENT TO THE POSSIBILITY OF AMENDING OR EXTENDING ROUTES PRESENTLY OPERATED BY THE AIRLINES OF EITHER COUNTRY. INFORMAL PROPOSALS WERE DISCUSSED OUTSIDE THE FORMAL MEETING, BUT SINCE NEITHER SIDE COULD ACCEPT THE OTHER'S POSITION, THE SITUATION REVERTED TO THE RESPECTIVE FORMAL DELEGATION POSITIONS. THUS THERE IS NO QUESTION OF ANY FURTHER STUDY BY THE US OF THE ARGENTINE INFORMAL PROPOSAL.

2. THE UNITED STATES GOVERNMENT DURING THE CONSULTATIONS ADHERED TO THE POSITION THAT, IN THE ABSENCE OF AGREEMENT LIMITED OFFICIAL USE
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ON A DOCUMENT IN SUBSTITUTION FOR THE MEMORANDUM OF UNDERSTANDING OF DECEMBER 1972, IT WOULD CONSIDER THAT MEMORANDUM HAD NOT BEEN REPLACED AND CONSEQUENTLY THAT, ALTHOUGH NOT FULLY IMPLEMENTED BY EITHER SIDE, IT REMAINED VALID UNTIL SUPERCEDED. THE GOVERNMENT OF THE UNITED STATES CONTINUES TO ADHERE TO THIS POSITION. AT THE SAME TIME, IT REMAINS READY TO RENEW NEGOTIATIONS WITH THE ARGENTINE AUTHORITIES AT A MUTUALLY AGREEABLE TIME AND PLACE AS REFLECTED IN THE MEMORANDUM SIGNED ON MARCH 1, 1974.

3. THE UNITED STATES GOVERNMENT AGREES WITH THE GENERAL

THRUST OF THE ARGENTINE COMMENT ON AVOIDING RESTRICTIONS BUT IN THIS CONNECTION IT TAKES NOTE OF THE RECENT ARGENTINE DECISION TO REJECT NEW SERVICES FOR THE US AIRLINES.

4. THE USG AGREES THAT THE GOA HAS TAKEN A NUMBER OF STEPS IN IMPLEMENTATION OF THE 1972 MEMO. WITH RESPECT TO THE STEPS WHICH THE GOVERNMENT OF ARGENTINA CONSIDERS THAT IT HAS TAKEN UNDER THE MEMO, THE FOLLOWING OBSERVATIONS ARE PERTINENT.

(A) THE ORIGINAL AUTHORITY ISSUED TO PAN AMERICAN WORLD AIRWAYS BY THE ARGENTINE GOVERNMENT IN DECEMBER 1931 AND DECEMBER 1942, SUPPLEMENTED AND AMENDED BY FURTHER DECREES, RESOLUTIONS, AND DECISIONS, AUTHORIZES SERVICE BETWEEN ALL OF THE UNITED STATES AND BUENOS AIRES. SIMILARLY, THE AUTHORITY ISSUED TO AEROLINEAS ARGENTINAS BY THE UNITED STATES AUTHORITIES PROVIDES FOR SERVICE BETWEEN ALL OF ARGENTINA AND SPECIFIED POINTS IN THE UNITED STATES. THIS PRACTICE IS CONSISTENT WITH THAT GENERALLY FOLLOWED IN AIR TRANSPORT AGREEMENTS AND DOES NOT REPRESENT A DEPARTURE OR NEW SPECIAL PRIVILEGES FOR THE AIRLINES OF EITHER SIDE. NEITHER SIDE HAS EVER ASSERTED THE RIGHT TO CONTROL THE POINTS TO WHICH THE FLAG AIRLINES OF THE OTHER SIDE MAY OPERATE WITHIN THEIR OWN COUNTRIES.

IT IS ACKNOWLEDGED THAT BY RESOLUTION ISSUED DECEMBER 28, 1972, BRANIFF WAS AUTHORIZED TO OPERATE FROM QUITO, LIMITED OFFICIAL USE
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ECUADOR, TO BUENOS AIRES VIA SANTIAGO, CHILE, ON ONE FLIGHT AND VIA LA PAZ, BOLIVIA, ON ANOTHER. THIS RESOLUTION IS CONSISTENT WITH THE UNDERSTANDINGS REFLECTED IN THE MEMORANDUM OF DECEMBER 1972, AND REFLECTS GREATER FLEXIBILITY THAN BRANIFF ENJOYED PRIOR TO THAT TIME. IT IS HOWEVER, THE ONLY ROUTE FLEXIBILITY ACHIEVED BY BRANIFF AS A RESULT OF THE 1972 UNDERSTANDING.

THE STATEMENT THAT THE ARGENTINE AUTHORITIES AUTHORIZED PAN AMERICAN TO EXTEND ITS SERVICE TO MIAMI, TO THE EXTENT IT MAY BE IMPLIED THAT THIS IS A RECENT CONCESSION, DOES NOT APPEAR CONSISTENT WITH THE RECORD. PAN AMERICAN HAS BEEN AUTHORIZED SINCE 1931 TO SERVE MIAMI, AND WHEN IN 1970, AFTER A HIATUS OF SEVERAL YEARS, IT RESUMED SERVICE TO BUENOS AIRES FROM MIAMI, THE GOVERNMENT OF ARGENTINA HELD THAT THE 1931 DECREE REMAINED VALID.

(B) WITH REGARD TO THE CHANGE OF GAUGE BETWEEN 707 AND 747 AIRCRAFT WHICH PAN AMERICAN MAKES IN PANAMA CITY ON

SERVICE BETWEEN CALIFORNIA AND BUENOS AIRES, IT SHOULD BE NOTED THAT THIS HAS BEEN PERMITTED BY THE ARGENTINE AUTHORITIES SINCE OCTOBER 1972 AND WAS NOT AT ISSUE IN DECEMBER 1972.

(C) WITH RESPECT TO THE RIGHT ENJOYED BY PAN AMERICAN TO SERVE MONTEVIDEO AS A POINT BEYOND RATHER THAN AS INTERMEDIATE ON SERVICES BETWEEN NEW YORK AND BUENOS AIRES, THIS AUTHORITY WAS GRANTED ORIGINALLY ON APRIL 23, 1963, AND WAS BASED ON A FINDING THAT AN ALTERNATION IN THE ORDER IN WHICH MONTEVIDEO MIGHT BE SERVED WOULD NOT IN FACT CONFER NEW TRAFFIC RIGHTS. SIMILAR RIGHTS HAVE RECENTLY BEEN GRANTED WITH RESPECT TO TRAFFIC FROM CALIFORNIA AND MIAMI TO BUENOS AIRES AND, WHILE USEFUL FOR THE PURPOSES OF OPERATIONAL FLEXIBILITY, HAVE LITTLE REAL TRAFFIC VALUE SINCE ALMOST ALL LOCAL TRAFFIC BETWEEN BUENOS AIRES AND MONTEVIDEO MOVES ON THE MULTIPLE DAILY SHUTTLE SERVICES OFFERED FROM THE CITY AIRPORT RATHER THAN EZEIZA INTERNATIONAL WHICH PAN AMERICAN USES.

(D) THE QUESTION OF SERVICE TO POINTS IN EUROPE OR ASIA
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VIA THE UNITED STATES FROM BUENOS AIRES WAS NOT AT ISSUE IN 1972 NOR DEALT WITH IN THE DECEMBER 1972 UNDERSTANDING. IN POINT OF FACT, THIS TRAFFIC IS RELATIVELY INSIGNIFICANT SINCE ALTERNATIVE, MORE DIRECT SERVICE IS AVAILABLE, AND DESTINATIONS BEYOND THE UNITED STATES ARE SERVED ONLY VIA CONNECTING FLIGHTS.

(E) THE TRAFFIC RIGHTS GRANTED TO PAN AMERICAN IN 1973 BETWEEN BUENOS AIRES AND CARACAS ANTEDATED THE DECEMBER 1972 UNDERSTANDING. THEY WERE PERMANENTLY GRANTED IN 1931 AND RECONFIRMED IN THE 1965 PRESIDENTIAL DECREE WHICH AUTHORIZED THE CALIFORNIA-BUENOS AIRES ROUTE.

(F) THE DECISION OF THE ARGENTINE AUTHORITIES TO PERMIT A TOTAL OF 34 CHARTER FLIGHTS BY WORLD AIRWAYS, BRANIFF AND PAN AMERICAN HAS BEEN APPROPRIATELY NOTED. IT MAY ALSO BE NOTED THAT THE UNITED STATES AUTHORITIES HAVE NOT RESTRICTED THE NUMBER OF CHARTER FLIGHTS OPERATED BY AEROLINEAS ARGENTINAS WHICH TOTALED 41 CHARTERS FROM DECEMBER 30, 1972 THROUGH DECEMBER 31, 1973.

5. WITH RESPECT TO THE LIFTING OF THE SALES RESTRICTIONS ON THE NUMBER OF PASSENGERS CARRIED BY THE UNITED STATES AIRLINES, WHICH THE ARGENTINE AUTHORITIES CONSIDER TO BE THE EQUIVALENT OF FIVE ADDITIONAL WEEKLY FREQUENCIES, IT IS THE UNITED STATES VIEW THAT THE LIFTING OF SALES RESTRICTIONS CANNOT APPROPRIATELY BE EQUATED WITH THE GRANTING OF ADDITIONAL FREQUENCIES. IT MAY BE FURTHER

NOTED THAT,PRIOR TO THE DECEMBER 1972 AGREEMENT,BRANIFF
HAD BEEN AUTHORIZED TO OPERATE 18 ONE WAY FREQUENCIES
WITH 146 SEATS OR A TOTAL OF 2628 SEATS PER WEEK.

AFTER DECEMBER 1972, IT OPERATED ONLY 16 WEEKLY
FREQUENCIES WITH 164 SEATS OR 2642 SEATS PER WEEK. THERE
HAS BEEN NO CHANGE IN THE NUMBER OF SEATS PER WEEK
OPERATED BY PAN AMERICAN FOR SEVERAL YEARS.

THE REMOVAL OF CAPACITY RESTRAINTS WAS ONE OF SEVERAL
ELEMENTS WHICH FORMED THE BASIS FOR UNITED STATES
ACCEPTANCE ON THE 1972 UNDERSTANDING. RELIEF FROM THESE
CAPACITY QUOTAS CANNOT IN THE UNITED STATES VIEW BE
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APPROPRIATELY USED TO JUSTIFY AN ARGUMENT THAT THE OTHER
UNDERTAKINGS INCORPORATED IN MEMORANDUM SHOULD NOT BE
CARRIED OUT.

6. THE UNITED STATES GOVERNMENT HAS NEVER AGREED THAT
THE PROVISIONS OF THE 1972 MEMORANDUM OF CONSULTATION
SHOULD BE CONSIDERED SUSPENDED.

7. WITH RESPECT TO THE QUESTIONS OF FREQUENCIES, ROUTES
AND WIDE BODIED JETS DISCUSSED IN PARAS 6, 7 AND 8 OF THE
ARGENTINE AIDE MEMOIRE, THE USG AGREES THAT THESE MUST
BE EXAMINED IN ANY FUTURE CONSULTATIONS. IN THIS
CONNECTION IT WOULD BE HELPFUL IF SOME PROGRESS COULD BE
MADE IN THE FREQUENCY QUESTION IN ADVANCE OF SUCH
CONSULTATIONS.

8. THE USG STILL HAS UNDER CONSIDERATION THE QUESTION
OF A DATE FOR THE RENEWAL OF THE NEGOTIATIONS.
END QUOTE. KISSINGER

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